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February 19, 2007

Scott E. Beer
Vice President, Carrier Relations
Level 3 Communications
1025 Eldorado Blvd.
Broomfield, CO 80021

Re: Neutral Tandem's Request for Interconnection with Level 3

Dear Mr. Beer:

Thank you for taking the time to meet with Ron Gavillet, Dave Lopez and me last Friday. I write to you in response to that meeting and your letter of February 14, 2007.

As you know, Neutral Tandem, Inc. (together with its applicable affiliates, "Neutral Tandem") provides tandem switching and transit services ("Tandem Services") in a number of states where Level 3 Communications, LLC (together with its applicable affiliates, "Level 3") also operates. In addition to providing these Tandem Services to Level 3, Neutral Tandem also provides Tandem Services to other carriers, such as CLECs, wireless carriers, and cable companies.

Level 3 and Neutral Tandem currently interconnect pursuant to two contracts -- a July 6, 2004 Agreement for Wireline Network Interconnection (the "July 2004 Contract") and a February 2, 2004 Master Services Agreement (originally executed by Focal Communications, which is now part of Level 3) (the "February 2004 Contract"). Pursuant to these two-way interconnection agreements, Neutral Tandem provides Tandem Services to (i) Level 3 for traffic that originates with Level 3 and terminates to third party terminating carriers, and (ii) third party carriers for traffic that originates with those carriers and terminates with Level 3.¹

On the evening of January 31, 2007, Level 3 sent a fax to Neutral Tandem terminating the July 2004 Contract effective March 2, 2007. By way of your February 14 letter, Level 3 (i) agreed to extend the termination date of the July 2004 Contract to March 23, 2007, to allow negotiations for a new two-way agreement to take place and (ii) terminated the February 2004 Contract effective March 23, 2007.

Let me reiterate what we said during the meeting on Friday: Neutral Tandem is willing to work with Level 3 to reach a commercial agreement for two-way interconnection which will enable Level 3 to enjoy the benefits of our competitive Tandem Service. We therefore look forward to our call tomorrow.

¹ On January 31, 2007, before Level 3 sent the fax to Neutral Tandem terminating the two-way July 2004 Contract, Neutral Tandem and Level 3 executed a new contract under which Neutral Tandem will provide certain termination services for certain traffic originated by Level 3. That agreement does not provide for termination of traffic to Level 3 from Neutral Tandem that originates with third party carriers and indeed its rates and terms were predicated on the existence of the July 2004 Contract.



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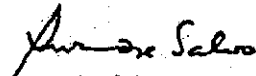
However, as we also stated in our meeting, Level 3 is required by law to interconnect with Neutral Tandem in all of the states where the parties operate. For example, applicable state law requires Level 3 to interconnect with Neutral Tandem upon request in each of Illinois, New York, Florida, and Georgia. See 220 ILL. COMP. STAT. 5/13-514; N.Y. COMP. CODES R. & REGS. 16, § 605.2; N.Y. PUB. SERV. LAW §§ 91, 92, 94, 97; FL. STAT. ANN. § 364.16; GA. CODE ANN. § 46-5-164. Therefore, any refusal by Level 3 to interconnect with Neutral Tandem would violate both state and federal law.²

Accordingly, Neutral Tandem hereby formally requests interconnection with Level 3 in all of the states in which our respective companies operate in order for Neutral Tandem to terminate to Level 3 traffic originated by third party carriers on terms no less favorable than those made available to the incumbent local exchange carrier for the termination of tandem services. This request includes, but is not limited to, the following states: Illinois, New York, Florida, and Georgia.

To be clear, Neutral Tandem is *not* seeking interconnection with Level 3 under applicable law for the purpose of compelling Level 3 to originate traffic to Neutral Tandem. Rather, Neutral Tandem requests interconnection with Level 3 solely for the purpose of delivering traffic originated by third party carriers utilizing Neutral Tandem's Tandem Service.

We look forward to our call tomorrow.

Sincerely,


Surendra Saboo
Chief Operating Officer

cc: John Harrington, Jenner & Block LLP

² In addition to being required by law, Neutral Tandem presumes that Level 3 will comply with this request given that it is entirely consistent with the numerous public positions regarding interconnection taken by Level 3, including positions supporting the right of wholesale carriers to interconnect, the need for competitive transit services, and the need for interconnection to support the development of competitive transit services. Moreover, such interconnection furthers general public policies supporting competition and network redundancy.